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SIPDIS

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SUBJECT: SAUDI ARABIA SUPPORTS ACTION ON CLIMATE CHANGE,
BUT IS CONCERNED THAT OIL WILL BE SINGLED OUT

Classified By: Deputy Chief of Mission Susan L. Ziadeh for reasons 1.4
(b) and (d).

¶1. (C) Summary: Saudi Arabia's chief climate change negotiator is concerned that discussions on mitigating the effects of climate change tend to single out oil and carbon-based fuels as the problem, rather than trying to reduce emissions of all harmful gasses in the UN Framework Convention for Climate Change (UNFCCC). Public comments by some countries, namely in Europe, about intending to use climate change negotiations to reduce their dependence on imported oil have heightened Saudi concerns about the negotiation process. As a result, Saudi Arabia will resist calls to renegotiate what it regards as underlying UNFCCC principles, including a commitment by developed countries to help developing countries cope with climate change. Saudi Arabia is looking for help in technology transfer, particularly on renewable energy sources, and in attracting foreign direct investment in these areas. End Summary.

¶2. (SBU) Mohammed Al-Sabban, the head of Saudi Arabia's climate change delegation and a Senior Advisor to Minister of Petroleum Ali Al-Naimi, briefed EconCouns on September 26 on Saudi Arabia's current thinking on climate change. He began by noting that there are a number of areas of agreement between Saudi Arabia and the United States. Saudi Arabia fully agrees that the world must address the issue of climate change now, and that we will have to rely on technology as part of the solution. Al-Sabban said Saudi Arabia is very interested in initiatives such as carbon capture and storage (CCS). Saudi Arabia also agrees with the United States that the treaty in Copenhagen must be as broad as possible, and address all types of climate change problems. Al-Sabban was very complimentary of the U.S. position at the G-20 on fuel subsidies, noting that phasing them out will have an important impact on consumers, allowing them to understand the real cost of energy and promoting more efficient uses.

CONCERN THAT OIL IS BEING SINGLED OUT

¶3. (C) The Kingdom wants to see the world pursue a fair and balanced approach to addressing climate change's effects. Al-Sabban said Saudi Arabia is concerned that some countries are trying to discriminate against oil. He cited some European policies that favor coal through energy taxes and subsidies. Al-Sabban expressed concern that some parties are trying to move beyond merely addressing the environmental issues, complex as they are, and also implement an energy agenda of reducing dependence on imported oil. He doubted that one treaty could accomplish both goals and noted that Saudi Arabia's position as a swing oil producer means that it will be the most affected by any significant reductions in oil demand. Al-Sabban stressed that Saudi Arabia's concern

on this point is real, and is not just a negotiating position. Al-Sabban noted concern about language castigating "carbon pollution" and calling for a reduction in a "carbon-based economy." Al-Sabban said Saudi Arabia would hold to the language of the 2007 Rome communiqu, in which "low-carbon economy" was replaced by "low emissions economy" as a goal, as the goal of the climate change treaty is to address all aspects of the problem, and not just carbon.

STICKING TO PRINCIPLES - LIKE GLUE

¶4. (C) Al-Sabban expressed significant determination to hold to the principles negotiated under the UNFCCC, the Kyoto protocol and subsequent working group sessions. He stressed several times that the negotiations leading up to Copenhagen are focused on implementing the UNFCCC, not on changing its principles. Al-Sabban also noted that the Kingdom will hold to the positions it negotiated in the Bali Action Plan, which he believes represents international agreement on the way forward.

¶5. (C) Saudi Arabia does not want to see any diminution in developed country commitments to assist developing countries coping with the effects of implementing climate change mitigation measures. Al-Sabban understood that the conditions of several countries in Annex II have changed over the years, but said Saudi Arabia would resist strongly any attempt to change the characterization of the state of development of countries in the annexes. On the other hand, Al-Sabban also strongly held that all countries, including

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India and China, must uphold their commitments to undertake serious actions to limit emissions. He thought that their actions would be better integrated through a voluntary process of adopting national action plans, rather than trying to hold them to specific commitments in the treaty.

LOOKING FOR HELP

¶6. (C) Al-Sabban said Saudi Arabia would expect the developed world to honor its commitment to address negative effects on energy producers, although he conceded that it would be "ridiculous" to expect the developed world, particularly now, to give Saudi Arabia money. Rather, Saudi Arabia will be looking for help through technology transfer, support in developing renewable energy (e.g., solar), and attracting foreign direct investment. Al-Sabban said Saudi Arabia would welcome greater dialogue with the U.S. on energy and environmental cooperation.

CONCERN ABOUT COPENHAGEN

¶7. (C) Al-Sabban lamented that there seems to be a growing lack of trust among countries, especially between developed and developing countries, which will make concluding an agreement in Copenhagen difficult. He cited the example of comments from France and Germany about taxing imports from countries with high carbon use as not helping the negotiating environment. Saudi Arabia is committed to supporting a positive outcome at Copenhagen, and will continue to participate in all the preparatory meetings.

GROWING INTO DOMESTIC DEMAND PROBLEMS

¶8. (C) Domestically, Saudi Arabia faces significant problems. Its energy demand is increasing between 5-7% a year, primarily driven by electricity demand. At the moment, Saudi

Arabia is looking to increase its development of natural gas fields (although electricity generation faces competition from a rapidly expanding petrochemical sector, on which the Kingdom is counting to generate jobs). Saudi Arabia is also looking to increase public awareness of energy issues, and to develop renewables, including solar. Al-Sabban noted that Saudi is looking at nuclear power, although this may take some more time to develop.

COMMENT

19. (C) We find Al-Sabban a well informed interlocutor on this topic, and believe his views are widely accepted at high levels. We believe his frank comments are intended to convey sincere Saudi sensitivity about oil being singled out as the source of the problem on climate change. Al-Sabban's comments also seem to indicate a real concern that developed countries will try to reduce their share of the burden in addressing climate change. We believe that a more regular outreach on our part, including to Saudi leadership, may help assuage Saudi concerns on these issues. The opportunity to engage with senior USG policy makers and experts would also be welcome, particularly if there is an opportunity to visit the Kingdom.

SMITH